GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1932
ANSWERED ON:13.12.2004
FUND FOR DEVELOPING AND STRENGTHENING OF AGRICULTURAL MARKETING
Scindia Shri Jyotiraditya Madhavrao;Thakkar Smt. Jayaben B.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has launched a scheme to make available funds for developing and strengthening agricultural marketing only for such States who have made policy changes towards reforms;

(b) if so, the nature and details of the policy changes required to be made by the State Governments qualify for the aid under this scheme; and

(c) the extent of aid extended thereunder to different States so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): Yes, Sir. The Government has recently approved a Central Sector Scheme titled `Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization`. Under the Scheme, credit linked investment subsidy shall be provided on the capital cost of general or commodity specific infrastructure for marketing of agricultural commodities and for strengthening and modernization of existing agricultural markets, wholesale, rural periodic or in tribal areas. The Scheme is linked to reforms in State Law dealing with agricultural markets (APMC Act).

(b): Under the existing APMC Act, State Government alone is empowered to initiate the process of setting up of markets for agricultural commodities in notified areas. Processing industry can not buy directly from the farmers. The farmer is restricted from entering into direct contract with any manufacturer as the produce is required to be canalized through regulated markets. These restrictions are acting as a disincentive to farmers, trade and industries. The State Governments have, therefore, been advised to amend the APMC Act to allow direct marketing and contract farming and to permit setting up of competitive markets in private and cooperative sectors. A Model APMC Act has also been circulated by this Ministry to all the States to guide them in implementation of the suggested reforms.

(c) The Scheme was approved by Government for implementation on 20.10.2004. All the States have since been requested to inform as to whether necessary amendments to APMC Act have been carried out, in order to notify the reforming States for applicability of the Scheme. Reply from the States is awaited. As such, no assistance under the Scheme has been provided to States so far.